

Introduced by Senator Florez

February 23, 2007

An act to add Section 12012.6 to the Government Code, relating to horse racing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 873, as introduced, Florez. Special Trust Fund for the Economic Stabilization of Horse Racing.

Existing law regulates horse racing. Existing federal law, the Indian Gaming Regulatory Act, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. Existing law expressly ratifies a number of tribal-state gaming compacts, and amendments of tribal-state gaming compacts, between the State of California and specified Indian tribes.

This bill would create the Special Trust Fund for the Economic Stabilization of Horse Racing, into which a portion of the funds generated from gaming activities authorized pursuant to all new tribal-state compacts that are ratified, or existing compacts that are amended, on or after January 1, 2007, would be deposited. The bill would specify how the moneys in that fund would be disbursed annually. To the extent that the bill would create a fund that would be continuously appropriated, the bill would create an appropriation.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature hereby finds and declares
2 all of the following:

3 (1) California's horse racing industry makes an important
4 contribution to California's overall economy and is a vital
5 component of the state's agricultural community.

6 (2) The horse racing industry provides over 54,000 jobs
7 industrywide and generates critical financial support for
8 California's network of fairs.

9 (3) The rapid expansion of tribal gaming has contributed to a
10 significant decline in revenue for the horse racing industry.

11 (4) Certain provisions of the tribal gaming compacts place the
12 horse racing industry at a competitive disadvantage with other
13 states that offer higher purses subsidized by alternative gaming
14 activities.

15 (5) The compacts proposed after August 1, 2006, will have an
16 additional adverse impact on the horse racing industry, further
17 jeopardizing the economic stability of horse racing in California.

18 (6) Therefore, it is the intent of the Legislature, in enacting this
19 act, to mitigate those adverse impacts on the horse racing industry
20 and to help ensure the survival of the industry in California, protect
21 the jobs that it provides, and sustain the contribution it makes to
22 the state's economy.

23 (b) A portion of the revenue contributions made to the state
24 pursuant to the tribal-state gaming compacts ratified after January
25 1, 2007, shall be deposited into the Special Trust Fund for
26 Economic Stabilization of Horse Racing in California, as specified
27 in Section 12012.6 of the Government Code, and the remainder
28 shall be deposited into the General Fund.

29 SEC. 2. Section 12012.6 is added to the Government Code, to
30 read:

31 12012.6. (a) There is hereby created the Special Trust Fund
32 for Economic Stabilization of Horse Racing. A portion of the funds
33 generated from gaming activities authorized pursuant to amended
34 tribal-state compacts, or new compacts entered into and ratified
35 on or after January 1, 2007, that would otherwise be deposited into
36 the General Fund pursuant to this article shall be deposited into
37 the fund, in the following amounts:

1 (1) For fiscal years 2007–08 and 2008–09, an amount equal to
2 2 percent of the net win of the gaming devices governed by the
3 compacts.

4 (2) For fiscal years 2009–10 and 2010–11, an amount equal to
5 4 percent of the net win of the gaming devices governed by the
6 compacts.

7 (3) For fiscal year 2011–12, and for every fiscal year thereafter,
8 an amount equal to 6 percent of the net win of the gaming devices
9 governed by the compacts.

10 (b) The funds deposited in the Special Trust Fund for Economic
11 Stabilization of Horse Racing shall be disbursed annually according
12 to the following formula:

13 (1) Sixty-one hundredths of 1 percent of the funds deposited
14 shall be disbursed to the jockey's organization certified pursuant
15 to Section 19612.9 for the purpose of funding health, welfare, or
16 retirement programs for professional jockeys who ride races in
17 California, retired jockeys who rode races in California, and their
18 dependents.

19 (2) After the disbursement is made pursuant to paragraph (1),
20 funds deposited pursuant to paragraph (1) of subdivision (a) shall
21 be disbursed 80 percent as purses for horse races being conducted
22 at licensed horse racing tracks, and 20 percent as commissions to
23 licensed horse racing tracks.

24 (3) After the disbursement is made pursuant to paragraph (1),
25 funds deposited pursuant to paragraphs (2) and (3) of subdivision
26 (a) shall be disbursed 50 percent as purses for horse races
27 conducted at licensed horse racing tracks, and 50 percent as
28 commissions to licensed horse racing tracks.